

HIGH IMPACT REPORT ALERT:

Friday, 6/7/13

Unemployment rate / Non-Farm Employment Change		RISK: 1	ZB 09-13	
8:30 am Eastern / 5:30 am Pacific		Forecast: +167K jobs / 7.5%		
Avg 1st Peak: 31 ticks (1-3 min after report)	Min: 9 ticks (MAR '12)	Max: 69 ticks (FEB '12)		
Avg 2nd Peak: 47 ticks (4-65 min after report)	Min: 21 ticks (NOV '11)	Max: 78 ticks (SEP '12)		
Avg Reversal: 26 ticks (110-145 min after rpt)	Min: 8 ticks (JUL '12)	Max: 56 ticks (SEP '11)		
Last 6 Reports:	1 : SPK/REV	5 : 2ND PK	0 : DULL	0 : INDECISIVE
Last 12 Reports:	1 : SPK/REV	11 : 2ND PK	0 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			3-4	5 Tick stop

*****We now only recommend trading the ZB for the NFP report as it has outperformed the CL and TF. The ZB has proven to be the best performer, giving a safe entry with minimal slippage, low margin, high value per tick, more stability, and remains at the peak of the spike longer making it easier to capture and achieve more profit. Keep in mind 1 tick on the ZB is \$31.25.**

Be sure to select "Strategy Internal" in the JOBB settings to ensure your stop loss is not rejected. I recommend using a breakeven setting of 15.

Most of the reports in the last several months have been mixed bags for the economy, but March was unexpectedly strong. We saw a moderate 70-165K increase (barely keeping up with population growth) with variable changes in the rate until March came in at 236K. Still, any drop in the rate has been primarily due to less people in the labor force, not sizable gains in hiring, so the jobs #s carry much more weight as the rate is discounted. This makes traders suspect of any positive news. The ADP report on Wednesday showed a worse than expected 135K jobs were created. While there is little correlation between the BOLS report and the ADP report, this is possibly a bearish indicator. Remember the # of jobs created carries more weight here than the U-3 % of unemployed, but if the rate change is divergent to the job #s, it can cause initial lack of conviction.

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This continues to be our safest and most profitable trade for the program offering an average of about 20 ticks net to be captured with ease on the initial spike. There were 4 indecisive reports between SEP '11 and MAY '12 due to inconsistent results where the BOLS was cooking the results in the election season. Now the markets are wiser and the same precursors would not cause indecision as the last 11 reports have been safe. Any improvement in the rate with lackluster job #s is viewed negatively as a drop in the labor force.